

RESPONSES TO MAJOR COMMENTS ON DRAFT PROGRAM GUIDELINES LOW INCOME WEATHERIZATION PROGRAM

FISCAL YEAR 2015-16 APPROPRIATION PROCUREMENT: SINGLE FAMILY ENERGY EFFICIENCY AND SINGLE FAMILY SOLAR PHOTOVOLTAICS

The California Department of Community Services and Development (CSD) released draft Program Guidelines for the Low-Income Weatherization Program's (LIWP) Single Family (SF) Program component on October 5, 2016. A public hearing was held on these draft Guidelines, and public comments were received in writing. The table below summarizes the major written comments received, and CSD's responses. The final version of the Program Guidelines was released January 30, 2017 and can be viewed, along with copies of the written public comments, at: <http://www.csd.ca.gov/LIWP.aspx>

The following acronyms are used in this document:

<i>AEA</i>	The Association for Energy Affordability.
<i>ARB</i>	California Air Resources Board. The State department overseeing the use of California Climate Investments allocations.
<i>CalEnviroScreen (CES)</i>	A tool created by the California Environmental Protection Agency to rank and score all California census tracts based on a variety of pollution and social factors. Information on CES 2.0 can be viewed at http://oehha.ca.gov/calenviroscreen/report/calenviroscreen-version-20
<i>CFLs</i>	Compact Fluorescent Lamps.
<i>CPUC</i>	California Public Utilities Commission.
<i>CSD</i>	The California Department of Community Services and Development. CSD is the state agency administering the Low Income Weatherization Program (LIWP).
<i>DAC</i>	Disadvantaged Community (the 25% of census tracts with the highest scores as determined by CalEnviroScreen 2.0).
<i>DOE</i>	The U.S. Department of Energy.
<i>EARS</i>	Expenditure Activity Reporting System, CSD's web application for contracted agency expenditure reports.
<i>EE</i>	Energy Efficiency.
<i>GGRF</i>	The Greenhouse Gas Reduction Fund, into which proceeds from California's Cap-and-Trade Auction Proceeds are deposited.
<i>GHG</i>	Greenhouse Gases, which are harmful gases that are reduced when energy efficiency or renewable energy measures are installed.
<i>LEDs</i>	Light-emitting diode.
<i>LIHEAP</i>	Low-Income Home Energy Assistance Program, a federally-funded program administered by CSD.
<i>LIWP</i>	Low Income Weatherization Program. LIWP is CSD's program that is an integral part of California Climate Investments that are funded by State Cap-and-Trade auction proceeds.
<i>LMF</i>	Large Multi-family dwelling.
<i>PV</i>	Photovoltaics.
<i>RA</i>	Regional Administrator.
<i>RFP</i>	Request for Proposal.
<i>SASH</i>	Single-family Affordable Solar Housing, a program overseen by the CPUC and administered by GRID Alternatives, a non-profit organization.
<i>SF</i>	Single-family dwelling.
<i>SMF</i>	Small Multi-family dwelling.

WIS	CSD's Weatherization Installation Standards.
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Written Comments Received and CSD Responses:

Commenter	Number	Comment	CSD Response to Comment
1. Rising Sun	1.1	While Rising Sun appreciates that wage floors are now part of the requirements, we are concerned that those standards only represent the highest minimum wage within a given county. We recommend CSD give explicit priority to LIWP proposals that offer wages for low-income workers above the highest minimum wage in the counties served (with an exception for participants in training programs, internships, or other on-the-job training and learning opportunities).	CSD recognizes that there are multiple ways for bidders to incorporate workforce development into their proposals. CSD's RFP made it clear that proposals will be evaluated and points awarded for wages proposed, but proposers will need to balance obtaining points for providing higher wages with the impact on costs in the proposal.
	1.2	We recommend CSD assign greater priority in the RFP scoring metric to workforce development outcomes.	The scoring matrix in the final RFP addressed workforce development in a number of areas. A maximum of 15 points is available from an assessment of the proposer's team qualification in experience, expertise and capacity in workforce development services. Additional potential points are also available in in the proposer's statement of understanding of regional needs, and their project team description. In addition, a maximum of 15 points (5 points for each) may be awarded for the proposer's workforce development approach to engage unemployed and underemployed DAC residents; the creation of higher paying jobs and a career ladder; and leveraging partnerships with regional workforce development agencies.
	1.3	While it is not possible within this funding opportunity, we recommend the development of a Green Workforce Fund, unrestricted by the achievement of direct GHG emission reductions, to finance the desired workforce outcomes of this and other GHG reduction programs. If workforce development, employment, and green jobs for individuals in low income and DACs are a true priority	Thank you for this comment, however the creation of such a Fund is beyond the scope of the Program Guidelines.

		of the GHG reduction funds and of the State, then dollars should be allocated accordingly.	
	1.4	<p>The addition of neighborhood eligibility for the basic package within specific census tracts is a step in the right direction for increasing participation and streamlining service delivery. However, Rising Sun recommends that CSD consider expanding the neighborhood eligibility concept, for the basic package only, to all households within the designated DACs – not just the census tracts listed in Exhibit IV of the Draft Program Guidelines.</p>	<p>While CSD acknowledges that climate investments are targeted to DACs, LIWP in particular maintains a focus on providing services to low-income households. Therefore, CSD must maintain practices and standards of verification to ensure that recipients are indeed low income.</p>
		<p>Rising Sun was excited to see LEDs included in the basic measure package, rather than CFLs. However, the fact that LEDs can only replace incandescent and halogen bulbs should be reconsidered for the following reasons:</p> <ul style="list-style-type: none"> • Very few customers will have incandescent bulbs in their homes, reducing the installation opportunities, energy savings, and GHG reductions and making the program more difficult to market • Other low-income and direct install programs are permitted to swap out CFLs for LEDs (2014 Memo from the Pacific Gas & Electric Company submitted as attachment) • CFLs are phasing out of production; when a customer's CFL bulbs burn out, they may need to purchase LEDs to replace them, which may be cost-prohibitive • LEDs are longer-lasting, provide better light quality, and are safer than CFLs <p>We strongly recommend that CSD allow incandescent, halogen, and CFL bulbs to be replaced with LEDs in this program.</p>	<p>CSD concurs since it is important that California's energy efficiency programs move forward together in response to changing standards and innovation, and will amend the LED measure standard accordingly.</p>

2. Fresno Economic Opportunities Commission	2.1	For Solar PV in addition to C-10 and C-46 licenses, I recommend (installers with) B licenses be allowed to install solar too since this complies with existing state law.	CSD is opting to require specialized licensing for solar to ensure the retention of highly qualified contractors and high quality installations.
3. Community Resource Project	3.1	Will the funds be allocated according to the number of the census tracts in each county?	No. Each region received a base funding level (\$2.5M) and the remaining EE sum (\$22.1M) is proportionally allocated based on US Census data for poverty population in each region. The solar PV allocation is based on installing solar in a percentage of the projected number of EE units in each region.
	3.2	Will the RA have the ability to modify the allocation between counties?	Allocations are based on region. RA's have the ability to determine the apportionment of LIWP funds to counties or areas within an assigned region.
	3.3	Income qualification of household: If there is more than one family living in a home do they comprise a single-household?	A household for the purposes of LIWP is defined as a group of individuals living together. CSD will release an eligibility guidelines document that will clarify income documentation RAs will need to qualify a household.
	3.4	If a measure is needed (either not functioning or never installed), should there be a restriction limiting re-weatherization to homes that have been weatherized within the past 2 years or 5 years? Should there be any restriction at all?	LIWP does not have any restrictions on serving previously weatherized dwellings. All feasible and cost effective measures should be installed in qualified homes. However it should be noted that LIWP measures are to be installed in accordance with established CSD Measure Standards.
	3.5	Under the "Neighborhood Eligibility" approach will the assessor/crew be able to assess and install the Basic LIWP Package?	Yes, but the entity entering agreements with property owners must hold a Class B license.
	3.6	Owners of rental properties will be required to certify that rent will not increase for a period of two years. Do the assessors need to get that certification from the rental property owner (who may not be available) to install a couple of aerators?	The Program Guidelines have been modified to state that RAs will be permitted to establish a mechanism for owner permission for Basic Measure installation in rental properties without completion of the CSD form required for Enhanced Measures. If Enhanced Measures (with or without audit) are installed in a rental unit, RAs must ensure that a CSD form is completed by the owner that includes provisions for a two-year rent restriction based solely on the measures. The

			Program Guidelines have been modified accordingly.
	3.7	Time & material or set price per measure: <ul style="list-style-type: none"> • If an in-house crew performs the work, then time and material? • If Sub-contractors perform the work, then set maximum? 	RFP respondents are required to propose a set price per measure for installation across all homes. All costs required to install a measure should be included in the measure's fixed cost.
	3.8	If it is a set price per measure, will the difference in price to cost be considered excess revenue or unrestricted funds?	A measure's fixed cost is the price set for reimbursement regardless of the actual cost (labor, hours, material, etc.) required for delivery of that measure.
	3.9	Under LIHEAP – Solar for all California, Solar PV was not restricted to qualified homeowners. Why is there an apparent punitive restriction on those that are disadvantaged and must rent?	The current (existing/ongoing) phase of LIWP includes a multi-family component, which offers the benefits of PV to renters. Solar For All California was a pilot—CSD's first opportunity to offer solar PV. The funding source was LIHEAP, which prohibits any differentiation between owners and renters. One of the outcomes of that pilot was a decision to limit PV to homeowner's only, specifically because of the relatively high cost of installing PV (compared to traditional measures offered by CSD). This helps ensure that the benefits of the installation will continue to accrue to low-income households. This decision also mirrors the CPUC's "SASH" program, which is offered only to qualified owner-occupants. In the future, CSD hopes a community solar model will provide options for the benefits of solar PV to be extended to renters in single-family properties.
	3.10	During the presentation it was mentioned that SMF rules might be modified. Will SMF be eligible for solar install?	The Statewide Multi-Family Provider, AEA, offers incentives for EE and solar PV to multi-family buildings. While the LMF program component was initially designed to serve buildings with 20 or more units, a waiver process has been developed that allows for installation of energy efficiency and renewable energy measures in smaller multi-family buildings as well.
	3.11	The SMF component has been a large part of our production, and removal of this component will cause an issue when trying to expend the contract effectively.	The LIWP Single Family EE & Solar PV approach is designed to serve single family dwellings that meet the definition as established in the LIWP 2015-16 Program Guidelines. All homes should be assessed for all feasible measures, including the installation of solar PV. Multi-family projects will be served in the multi-family

			program component to avoid confusion between providers and for the public
	3.12	In regard to redefining the definition of single family home, Article 9.1.c. (of network contracts) states the following: “For the purposes of LIWP SF weatherization, dwellings of one to four units are considered “single family” dwellings.” In the Draft Program Guidelines it mentions townhomes. Some townhomes have more than 4 attached units. Would the 4 unit maximum rule still apply?	No, there will no longer be a four-unit rule in new RA contracts, and dwellings in multi-family buildings will not be eligible for services under this program component. Townhomes may be regarded as single-family dwellings regardless of the number of attached dwellings, provided they meet the definition of single-family homes. The definition includes detached and attached or semi-attached residences (e.g. zero lot-line homes, halfplexes or townhomes) providing that the property has the legal standing of a single-family home with a separate lot (deeded separately with its own parcel number) and without a condominium ownership structure or home owners’ association where architectural approval is needed for changes to the exteriors of the buildings or erection of anything on the roof.
	3.13	When will the LIWP WIS and Field Guide be available? Will the WIS Committee be given an opportunity to review and make positive recommendations?	The measure standards that were posted with the Draft RFP are the only standards that will apply to RAs. The WIS committee is exclusive to the LIHEAP and DOE weatherization network and will not be reviewing standards for the LIWP program. The Program Guidelines have been modified to refer to “measure standards” rather than “installation guidelines” for clarity.
	3.14	Will the LIWP forms be the same as the current CSD forms/contractors’ equivalent?	No. The mandated forms are posted in draft form in the Bidder’s library at http://www.csd.ca.gov/LIWP/RFP/BiddersLibrary.aspx . These forms are subject to modification during the bid and contract negotiation process.
	3.15	Will the RAs need to reapply each contract year?	No. The initial contract term is anticipated to be for a fifteen-month period, with the possibility of contract extension.
	3.16	Will agencies that are working together with different front end systems need to submit to EARS individually or will this be left to the RA to submit one report?	RA’s will be responsible for submitting EARS reports to CSD for all subcontractor work completed within their region.
4. Johns Manville and Nest Labs, Inc.	4.1	We strongly urge CSD to prioritize energy efficiency in the guidelines and subsequent investment of GGFR funds. A key component to ensuring this happens is finding ways to rapidly deploy cost-effective energy efficiency retrofits	CSD expects that each home occupied by qualified residents will be assessed for and receive all feasible, cost-effective measures based on the household’s eligibility status. The Basic Measure package, neighborhood eligibility and categorical eligibility have all been introduced to facilitate rapid program

		in the residential sector in significant volumes.	deployment and assist marketing.
	4.2	<p>Furthermore, energy efficiency done correctly can also enable residential demand response because the more efficient a home's envelope is, the more successful a cooling demand response event will be. If homes are made more energy efficient, occupants can be paid extra money for saving energy via a demand response program.</p> <p>Such demand response is achieved with the use of advanced home energy management systems such as the Nest Learning Thermostat. Once a home is participating in a successful demand response program, it can also be part of the emerging energy storage effort. We are developing a concept for behind the meter, non-battery energy storage specifically for modest homes in disadvantaged communities. With some creative thought and new approaches, the LIWP program can help make disadvantaged communities in California a showcase for advanced energy technology.</p>	CSD strives to offer a full range of cost-effective measures assessed as outlined in the Quantification Methodology, but welcomes input on specific measures to be evaluated for implementation. Measures currently approved for installation during the limited initial RA contract term are stated in the Program Guidelines, but Program Guidelines may be updated based on evaluation on emerging technologies and the cost effectiveness of those measures.
	4.3	CSD should expand the percentage of communities that qualify for "neighborhood" eligibility status beyond the 5 percent threshold recommended in the Draft Guidelines. Constraining eligibility for "neighborhood" designation to the 5 percent threshold undermines the ability of the LIWP program to rapidly deploy scalable, cost-effective actions to save energy, cut emissions, and provide consumer savings in DACs more broadly across the state.	While CSD acknowledges that climate investments are targeted to DACs, LIWP in particular maintains a focus on providing services to low-income households. Therefore, CSD must maintain practices and standards of verification to ensure that recipients are indeed low income.
	4.4	As currently described in the Draft Guidelines, only a limited set of measures is available under the	While CSD acknowledges that climate investments are targeted to DACs, LIWP in particular maintains a focus on providing

		<p>Basic Package. CSD should revise the Basic LIWP Package to include additional measures, such as insulation, duct repair/replacement and smart thermostats, or allow additional enhanced LIWP measures to be accessed without Individual Household Income Verification. Limiting the number of measures that can be accessed without potentially burdensome paperwork requirements creates an unneeded barrier that will limit program effectiveness.</p>	<p>services to low-income households. Therefore, CSD must maintain practices and standards of verification to ensure that recipients are indeed low income. However, households qualified on the basis of categorical eligibility will be eligible for all Basic and Enhanced Measures, with the exception of solar PV, which should help remove barriers to program effectiveness.</p>
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